

## Message Text

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17 16

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

INR-10 NSAE-00 RSC-01 FAA-00 SS-20 L-03 H-03 PA-04

PRS-01 USIA-15 DRC-01 /104 W  
----- 030185

R 042243Z DEC 73

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 6113

INFO AMEMBASSY BONN

AMEMBASSY PARIS

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E.O. 11652: N/A

TAGS: ETRN

SUBJECT: CIVAIR - NORTH ATLANTIC FARES AND CHARTERS

1. COLEGATE (CAA) TOLD EMBOFF TODAY THAT CAA'S INTEL-  
LIGENCE RE INTENTIONS OF IATA AIRLINES, WHEN THEY MEET  
IN LONDON DECEMBER 5 TO DISCUSS, INTER ALIA, CAB'S ACTION  
ON IATA NORTH ATLANTIC FARE AGREEMENT, IS TO DIG IN HEELS  
AND REFUSE TO MAKE ADJUSTMENTS IN FARE PACKAGE TO ACCOM-  
MODATE CAB OBJECTIONS TO PACKAGE. SUCH A POLICY LINE,  
IF ADOPTED, WOULD FORCE CONFRONTATION ONCE AGAIN BETWEEN  
U.S. AVIATION AUTHORITIES AND EUROPEAN/CANADIAN AIRLINES.  
(COLEGATE INDICATED IATA CARRIERS WOULD GO INTO TALKS  
WITH UNDERSTANDING THAT CANADIAN AUTHORITIES WILLING  
ACCEPT IATA PACKAGE WITHOUT CHANGE THEREBY GIVING IATA  
CARRIERS ABILITY OPERATE TRANS-ATLANTIC SERVICES (TO  
CANADA) EVEN WITHOUT US CAB APPROVAL.)

2. COLEGATE SAID HIS OWN FEELING WAS THAT CAB MIGHT BE  
WILLING ACCEPT NO CHANGE IN 22/45 EXCURSION FARE PROVIDED  
IATA ACCEPTED ELIMINATION OF YOUTH FARES AND NO INCREASE  
IN NORMAL ECONOMY FARES. IF THIS ASSUMPTION CORRECT, HE  
SAID, CAA WOULD PROBABLY NOT BE INCLINED TO GO ALONG WITH  
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CONFRONTATION STRATEGY BECAUSE DIFFERENCES NOT SUF-

FICIENTLY GREAT TO WARRANT ESCALATION OF FARES PROBLEM  
AT THIS LATE DATE.

3. IF IATA ADOPTS CONFRONTATION STRATEGY, COLEGATE SAID  
ECAC DIRECTORS-GENERAL WILL MEET IN PARIS, DECEMBER 14,  
TO DISCUSS SITUATION. BEFORE THAT DATE, BEGINNING ON  
DECEMBER 11, ECAC'S NON-SCHEDULED SERVICES POLICY COM-  
MITTEE WILL HAVE MET TO DISCUSS, AMONG OTHER THINGS,  
ECAC'S RESOLUTION 8. THIS MEETING, COLEGATE SAID, SHOULD  
HELP TO CRYSTALIZE UK'S POSITION FOR FURTHER CHARTER TALKS  
WITH US. IF SCENARIO EVOLVES AS COLEGATE ENVISAGES IT,  
UK WOULD BE IN A POSITION TO RESUME TALKS IN WASHINGTON  
WITH US ON BOTH CHARTER AND FARES QUESTIONS NO EARLIER  
THAN DECEMBER 18.

4. COMMENT: AS WASHINGTON AGENICES KNOW, COLEGATE IS  
NOT ONE TO GO OUT OF HIS WAY TO AFFORD US HELPFUL IN-  
SIGHTS INTO EUROPEAN THINKING. NEVERTHELESS, WE ARE  
INCLINED TO BELIEVE HIS ASSESSMENT OF IATA CARRIERS  
THINKING ON FARES PACKAGE. COLEGATE PROBABLY FISHING  
FOR SOME INDICATION OF WHAT CAB MIGHT SETTLE FOR TO  
RESOLVE FARES PROBLEM IN SHORT-TERM WHILE BOTH CAA AND  
CAB CONTINUE TO APPLY PRESSURE ON CARRIERS TO RESTRUC-  
TURE NORTH ATLANTIC FARES IN GENERAL. WE BELIEVE  
DECEMBER 18 IS PROBABLY EARLIEST UK WOULD MEET WITH US  
IN WASHINGTON. ACTION REQUESTED: WOULD APPRECIATE ANY  
GUIDANCE DEPARTMENT MAY WISH TO PROVIDE IN LIGHT OF  
FOREGOING.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
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**Concepts:** SUPPLEMENTAL AIRLINES, AIR FARES, NEGOTIATIONS  
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**Disposition Approved on Date:**  
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**Disposition Date:** 28 MAY 2004  
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**Disposition Reason:**  
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**Document Unique ID:** 00  
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